the Ministry of Health and the Central Health Education Bureau.

Rise in the prices of pig iron and steel consequent to Abolition of FES

*323. SHRI CHIMANBHAI MEHTA : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government while committing itself to phased abolition of freight equalisation in relation to pig iron and steel, the State Governments were consulted; if not, what are the reasons therefor;

(b) the names of states and their objections to the phasing out of the scheme;

(c) what are the reasons for which only pig iron and steel have been so singled out while fertiliser, gas, petroleum and other products are going to be benefited by the freight equalisation scheme;

(d) what are the names of finished, semi-finished and other commodities getting advantage of the freight equalisation scheme; and

(e) whether the prices of steel and pig iron would increase if freight equalisation is abolished, if so, what would be the hike in total value for consumers of Gujarat per tonne and what percentage it would form in the total price of pig iron and steel?

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir. The report of the National Transport Policy Committee was circulated by the Planning Commission to all State Governments in August, 1980 for their comments.

(b) Of the 13 States/Union Territories (including Gujarat) that replied, only Delhi Administration did not support the proposal for phasing out the existing freight equalisation schemes as they feared that States deficit in certain commodities would face serious shortages.

(c) The National Transport Policy Committee had recommended that there was a need for phasing out freight equalisation on industrial commodities like iron, steel and levy cement. In the case of fertilizers, petroleum and other products, no similar freight equalisation scheme as such is in operation.

(d) The following categories of iron and steel materials are covered under the Freight Equalisation Scheme :—

(i) Pig Iron

(ii) Semi-Finished Steel

—Billets
—Blooms
—Slabs

(iii) Finished Steel

—Bars & Rods
—Structurals
—Plates
—HR Coils/Sheets/Skelp
—CR Coils/Sheets
—Galvanised Plain & Corrugated Sheets
—Rails, Crossing Sleeper bars and Bearing Plate Bars

(e) Increase/decrease in the transportation cost/price of iron and steel will depend on the distance of the consumption centre from the source of supply. In the case of Gujarat, the increase due to cost of transport for steel would vary between Rs. 75 to Rs. 270 (between

1.3% to 4.5% presuming an average price of Rs. 6000 per tonne for steel) per tonne and for pig iron between Rs. 150 to Rs. 265 (between 5.6% to 9.8%) per tonne.

MR. CHAIRMAN: This question has been asked several times. I will not allow this question. I think we will go to the next question.

SHRI CHIMANBHAI MEHTA: Sir, there are very vital questions involved.

MR. CHAIRMAN: Please hear me. Last week we had this question. Again we are having the same question about freight equalisation, put by another person. What is it that you are going to get out of it?

SHRI CHIMANBHAI MEHTA: Sir, there are discrepancies in facts.

MR. CHAIRMAN : All right, I will allow only a few questions.

SHRI CHIMANBHAI MEHTA: The Minister has answered that of the 13 States/Union Territories, including Gujarat, that replied to the question about freight equalisation, only Delhi Administration did not support the proposal for phasing out the existing freight equalisation scheme. This is the answer given on 8th August, that is, today. And on 25th July, two weeks back, the question was asked whether it is a fact that Gujarat Government opposed the discontinuance of freight equalisation scheme and the answer given was that the Government of Gujarat have so stated in their representation.

Sir, within a fortnight, the answer is totally changed. I know that Minister was quite aware on the day he was replying on 25th July, and he also said in reply to another hon. Member that "the Chief Ministers of various States have written to the Central Government against phasing out of this equalisation scheme. I would be rather accused of deterring them to take early decision which would lead to further turmoil in these States". So many States have been opposing this and the Minister has given one reply today and a different reply two weeks back to the same point. Therefore, I know that there is no question of deliberately ...

MR. CHAIRMAN : Put the question.

SHRI CHIMANBHAI MEHTA: Therefore, my question is that since there is strong opposition, would the Minister re-invite Ministers and discuss with them and then come to a conclusion, or appoint another committee? Pandey Committee says there would be 21 per cent hike.

MR. CHAIRMAN: You know there are two opnions some States are opposing and some are not.

SHRI K. C. PANT: Sir, there is no dicrepancy; there is an attempted accuracy in the two answers. The first question that was asked by the same Member on the last occasion was, whether it is also a fact that the Gujarat Government have opposed the discontinuance of Freight Equalisation Scheme, and so on, and the answer was: Yes, Sir, the Government of Gujarat have given a representation to that effect; whereas, this time the question is: Whether Government while committing itself to phased abolition of freight equalisation ....the State Government were consulted, This is the question. Sir, the State Governments were consulted in August 1980; Planning Commission had asked for their comments and at that stage, 13 States had replied and of these only Delhi had objected. So, there is absolutely no discrepancy between the two replies. I am afraid at that stage Gujarat did not object. Gujarat and other States have objected subsequently which I have given but at the time of consultation originally, Gujarat did not object. This is the factual position. But that does not detract us from their objection which came later.

So far as another committee and so on, is concerned, this may not yield much result because there is nothing that is unknown about the problem. It is a question of taking into account the genuine feeling of the States. A decision on principle has already been taken but we are taking into account the objections. I am not brushing them aside. And this is the current position.

MR. CHAIRMAN: Second supplementary, if you want.

SHRI CHIMANBHAI MEHTA: My question was relating to the present day objections by the States. Reply was given about planning Commission's reaction and the response of other States. Now it is clarified that so many States are opposing and he is prepared to consider the whole question. Out of the States, and Union Territories hardly 13 have agreed for phased abolition. This fact may be kept in view. The Minister has clarified it.

SHRI K. C. PANT: May I say one thing? I did not say 13 had agreed; I said '13 had replied at that stage', The States later on took their own views; possibly, after studying the implications, they took their own view and subsequently wrote to us. I do not want to create any misunderstanding. Gujarat is objecting to this; so do some other States. But West Bengal is very much in favour of abolition of the scheme. So is the case with some other States. There should be no confusion on that account.

SHRI PRANAB MUKHERJEE: Sir, may I know from the hon. Minister whether it is not a fact that the Government have already taken a decision of doing away with the freight equalisation scheme, that it should be phased out. Is the Government sticking to its decision or they are going to reconsider the whole issue?

SHRI K. C. PANT: Sir, the Government have taken a decision, in principle, to phase out the freight equalisation scheme. But as I mentioned earlier, we have received so many representations from States which are objecting to the phasing out that we have taken time to consider all the problems that they have raised. This scheme has been in operation for thirty years. Therefore, any sudden abolition of the scheme would create difficulties for those who have made investments in those States which are away, far away, from the integrated steel plant and those who have made investments on the assumption that this scheme would continue and they would get steel and pig iron at a fixed price. Therefore, one has to take that into account. But the hon. Member is quite right that a decision, in principle, has already been taken by the Government.

SHRI JAGESH DESAI: Sir, Steel is a declared item because it is required for industries and the policy of the Government is that it should be given at as less a price as possible. In view of this policy of the Government to encourage steel production and to give steel to the remote places at a reasonable price. I would like to know whether the Government will reconsider this even though they have taken a decision in principle?

SHRI K. C. PANT : Sir, an expert committee has gone into this matter. It has made its recommendations and two important points were made with reference to the preface to my freind's question. One is that the dispersal of economic activity which was expected as a result of this scheme has not materialised to the same extent. The other point which I would like to make is, this scheme, whether it remains or whether it is abolished, is not the only criterion for the industrialisation of a State or the location or the setting up of an industry in a State. There are so many

other factors which have to be taken into account. Power is one important factor, for instance. Therefore, a view has to be taken which to the extent possible, reconciles the two positions. But unfortunately, the two positions cannot be totally reconciled.

Kharif Production

*324. SHRI S.B. RAMESH BABU: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that there has been a delay in the arrival of monsoon which has caused a lot of anxiety among the farmers; and

(b) if so, what steps Government are taking to meet the likely shortfall in the kharif production due to inadequate rains?

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION (SHRI YOGENDRA MAKWANA): (a) and (b) A Statement is laid on the Table of the Sabha.

Statement

(a) and (b) The South West Monsoon advanced over Kerala on 4th June, 1986, as against the normal due date of 1st June. There was a relative lull in rainfall activity from 4th to 14th June, 1986. The position, however, improved thereafter except in the North-Eastern States, Bihar, Rajasthan, Kerala and Tamil Nadu from where deficient rainfall was reported. Due to good rains between 23rd and 28th July, 1986 in Rajasthan, the deficiency impact in the State is likely to be minimised. In the Southern States, during August, rainfall from atmospheric depressions, if any, could help in reducing moisture stress. Kharif sowing in some States are since going on, As such, it is too early to make any assessment at this stage of the impact of rainfall on kharif production during this year.

श्री एस० बी० रमेश बाबू : मान्यवर, देश में ऐसे कितने इलाके हैं जहां पर वर्षा ठीक न होने के कारण सूखा पड़ा हुआ है और कितने लाख हेक्टियर भूमि में अनाज को नुकसान हुआ है ?

श्री योगेन्द्र मकवाणा : श्रीमान्, जहां तक इस साल की बात है मैंने अपने जवाब में बता दिया है। जो आज की स्थिति है उसमें कुछ ऐसा कह नहीं सकते हैं कि खरीफ की फसल को नुक्सान होगा या नहीं। जहां तक सूखे की बात है कि 12 स्टेट्स और 2 यूनियन टैरिटरीज में ड्राउट की पोजीशन थी। लेकिन आज की पोजीशन में हम नहीं कह सकते हैं कि ड्राउट होगा क्योंकि अभी अगस्त और सितम्बर में जो वर्षा होगी उसका असर पड़ता है।

श्री एस०बी० रमेश बाबू : मान्यवर, पिछले तीन साल से आन्ध्र प्रदेश में वर्षा नहीं होने के कारण काफी सूखा पड़ा है जिसमें तेलंगाना, रायलसीमा और अन्य इलाके आते हैं। क्या वहां पर हमारी केन्द्रीय सरकार की ओर से कोई सेंट्रल टीम गई है तो कब गई है और उसने क्या रिपोर्ट दी है और सेंट्रल गवर्नमेंट की ओर से कितनी धनराशि वहां पर दी गई है ?

SHRI YOGENDRA MAKWANA : This question does not arise out of the present question because this question relates to the monsoon and now he is asking about the relief being given to the State Government because of the drought. I would like to have a separate notice for this.

श्री जगदम्बी प्रसाद यादव : श्रीमन्, मानसून के कहीं पहले आने से और कहीं पीछे आने से स्थिति बदलती रहती है और यह साइमलटेनियसली चलता रहता है। जैसा हमारे मित्र अभी पूछ रहे थे कि वहां पर सूखा पड़ा हुआ है और बिहार में मानसून के पहले आ जाने के कारण 10 जिले पानी से भरे हुए हैं और लाखों एकड़ भूमि में फसल पानी में डूब गई है। जब इस प्रकार की बात है, दोनों स्थितियां हों,